WIPRO HR SERVICES INDIA PRIVATE LIMITED
FINANCIAL STATEMENTS UNDER IND AS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

WIPRO HR SERVICES INDIA PRIVATE LIMITED
BALANCE SHEET
(₹ in lacs, except share and per share data, unless otherwise stated)

		As at	
ASSETS	**Notes**	**March 31, 2021**	**March 31, 2020**
Non-current assets			
Property, plant and equipment	4	3,094	3,328
Right-of-Use Assets	5	8,083	10,243
Capital work-in-progress		129	7
Financial assets			
Other financial assets	9	1,657	870
Deferred tax assets (net)	17	5,197	4,958
Non-current tax assets (net)		3,006	2,752
Other non-current assets	10	48	108
Total non-current assets		**21,214**	**22,266**
Current assets			
Financial assets			
Investments	6	7,539	-
Trade receivables	7	8,353	9,415
Cash and cash equivalents	8	44,559	44,834
Other financial assets	9	1,189	1,424
Other current assets	10	4,788	5,047
Total current assets		**66,428**	**60,720**
TOTAL ASSETS		**87,642**	**82,986**
EQUITY			
Share capital	11	701	701
Other equity		59,702	51,190
TOTAL EQUITY		**60,403**	**51,891**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Trade payables	12	-	-
Lease liabilities		5,804	8,113
Provisions	14	8,916	7,946
Total non-current liabilities		**14,720**	**16,059**
Current liabilities			
Financial liabilities			
Trade payables			
(a) Total outstanding dues of Micro, small and medium enterprises	12	8	4
(b) Total outstanding dues of creditors other than micro, small and medium enterprises.	12	2,569	4,463
Lease liabilities		3,446	3,925
Other financial liabilities	13	2,506	2,528
Provisions	14	2,946	3,069
Other current liabilities	15	1,044	1,047
Total current liabilities		**12,519**	**15,036**
TOTAL LIABILITIES		**27,239**	**31,095**
TOTAL EQUITY AND LIABILITIES		**87,642**	**82,986**

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Firm's Registration No: 117366W/W - 100018
Sd/-

Amit Ved
Partner
Membership No. 120600
Bengaluru
June 17, 2021

For and on behalf of the Board of Directors

Sd/-

Aparna Chandrasekhar Iyer
Director
DIN: 08378003
Place:
June 17, 2021

Sd/-

Amit Bajoria
Director
DIN: 07464567
Place:
June 17, 2021

Sd/-

Vinay M A
Company Secretary
Place:
June 17, 2021

WIPRO HR SERVICES INDIA PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS
(₹ in lacs, except share and per share data, unless otherwise stated)

	Notes	For the Year ended March 31, 2021	For the Year ended March 31, 2020
INCOME			
Revenue from operations		97,205	103,588
Other income	18	2,929	3,266
Total Income		**100,134**	**106,854**
EXPENSES			
Employee benefits expense	21	72,732	72,470
Finance costs	19	1,495	1,741
Depreciation and amortisation expense	20	5,367	5,850
Other expenses	22	9,566	14,372
Total expenses		**89,160**	**94,433**
Profit before tax		**10,974**	**12,421**
Tax expense			
Current tax	17	2,844	3,358
Deferred tax	17	(249)	862
Total tax expense		**2,595**	**4,220**
Profit for the year		**8,379**	**8,201**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Defined benefit plan actuarial gains/(losses)	21	143	(464)
Income tax relating to items that will not be reclassified to profit	17	-10	93
Total other comprehensive (loss)/ income for the year, net of taxes		**133**	**(371)**
Total comprehensive income for the year		**8,512**	**7,830**
Earnings per equity share: (Equity shares of par value ₹ 10 each)			
Basic and diluted	23	119.53	116.99
Number of shares			
Basic and diluted		7,010,000	7,010,000

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Company Secretary
Place:
June 17, 2021

WIPRO HR SERVICES INDIA PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
(₹ in lacs, except share and per share data, unless otherwise stated)

Equity share capital

Balance as at March 31, 2021
701
Balance as at March 31, 2021
701

Other equity

Particulars	Reserves and Surplus: Capital reserve	Reserves and Surplus: Retained earnings	Other comprehensive income	Total other equity
Balance as at April 1, 2020	**23,609**	**28,125**	**(544)**	**51,190**
Adjusted balance as at April 1, 2020	**23,609**	**28,125**	**(544)**	**51,190**
Profit for the year	-	8,379	-	**8,379**
Other comprehensive income	-	-	133	**133**
Total comprehensive income for the year	**-**	**8,379**	**133**	**8,512**
Balance as at March 31, 2021	**23,609**	**36,504**	**(411)**	**59,702**

Particulars	Reserves and Surplus: Capital reserve	Reserves and Surplus: Retained earnings	Other comprehensive income	Total other equity
Balance as at April 1, 2019	**23,609**	**21,069**	**(173)**	**44,505**
Adjustment on adoption of Ind AS 116	-	(1,145)	-	**(1,145)**
Adjusted balance as at April 1, 2019	**23,609**	**19,924**	**(173)**	**43,360**
Profit for the year	-	8,201	-	**8,201**
Other comprehensive income	-	-	(371)	**(371)**
Total comprehensive income for the year	**-**	**8,201**	**(371)**	**7,830**
Balance as at March 31, 2020	**23,609**	**28,125**	**(544)**	**51,190**

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

for Deloitte Haskins & Sells LLP
Chartered Accountants

Firm's Registration No: 117366W/W – 100018

Sd/-
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DIN: 08378003
Place:
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Partner
Membership No. 120600
Bengaluru
June 17, 2021

Sd/-
Vinay M A
Company Secretary
Place:
June 17, 2021

WIPRO HR SERVICES INDIA PRIVATE LIMITED
STATEMENT OF CASH FLOWS
(₹ in lacs, except share and per share data, unless otherwise stated)

	For the year ended	
	March 31, 2021	**March 31, 2020**
Cash flows from operating activities:		
Profit for the year	8,379	8,201
Adjustments to reconcile profit for the year to net cash generated from operating activities:		
(Gain)/loss on sale of property, plant and equipment, net	(9)	-
(Gain) / loss on sale of ROU, net	(261)	-
Depreciation and amortisation	5,367	5,850
Income tax expense	2,595	4,220
Dividend and interest (income)/Expense, net	(1,047)	(1,224)
Other non-cash items		(12)
Changes in operating assets and liabilities, net of effects from acquisitions		
Trade receivables	1,062	(1,206)
Unbilled revenues		19
Other assets	(422)	(1,012)
Trade payables, accrued expenses, other liabilities and provisions	(1,538)	(4,034)
Cash generated from operating activities before taxes	**14,126**	**10,802**
Income taxes (paid)/refund, net	(3,098)	(3,858)
Net cash generated from operating activities	**11,028**	**6,944**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,707)	(1,543)
Proceeds from sale of property, plant and equipment	17	-
Purchase of investments	(7,539)	-
Interest received	2,498	1,668
Net cash generated from/(used in) investing activities	**(6,731)**	**125**
Cash flows from financing activities:		
Repayment of lease liabilities	(3,688)	(3,189)
Interest paid	(884)	(1,235)
Net cash used in financing activities	**(4,572)**	**(4,424)**
Net increase/ (decrease) in cash and cash equivalents during the year	(275)	2,645
Cash and cash equivalents at the beginning of the year	44,834	42,189
Cash and cash equivalents at the end of the year (Note 8)	**44,559**	**44,834**

Refer to Note 13 for supplementary information on statement of cash flows.
^ Value is less than ₹ 1

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP

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Amit Ved
Partner
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Place: Bengaluru
June 17, 2021

For and on behalf of the Board of Directors

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DIN: 07464567
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Vinay M A
Company Secretary
Place:
June 17, 2021

1. The Company overview

Wipro HR Services India Private Limited (the 'Company') was incorporated on September 15, 2016. The Company was incorporated as Aon HR Services India Private Limited. The name was changed to Alight HR Services India Private Limited with effect from June 30, 2017. Subsequently, Wipro Limited acquired Alight HR Services India Private Limited on August 31, 2018 and the name was changed to Wipro HR Services India Private Limited with effect from October 11, 2018.

The Company is engaged in providing business process outsourcing and human resource outsourcing services majorly to its fellow subsidiaries and parent.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 17, 2021.

2. Basis of preparation of financial statements

2.1. Statement of compliance and basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been applied consistently to all periods presented in these financial statements, except for new accounting standards adopted by the Company.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the Statements of Profit and Loss and Balance Sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

All amounts included in the financial statements are reported in lakhs of Indian rupees (₹ in lakhs) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/re-arranged, wherever necessary.

2.2.Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS:

a) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
b) The defined benefit asset/ (liability) is recognised as the present value of defined benefit obligation less fair value of plan assets.

2.3. Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

a) Income taxes: The tax jurisdiction for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

b) Deferred taxes: Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

c) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

d) **Useful lives of property, plant and equipment:** The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as changes in technology. The estimated useful life is reviewed at least annually.

e) **Leases:** Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

f) **Uncertainty relating to the global health pandemic on COVID-19:** In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

3. Significant accounting policies

3.1. Functional and presentation currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company.

3.2.Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/(losses). Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments measured at fair value through other comprehensive income are included in other comprehensive income, net of taxes.

3.3. Financial instruments

a) Non-derivative financial instruments:
Non-derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, finance lease receivables, employee and other advances and eligible current and non-current assets; Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset.

- Financial liabilities, which include, trade payables, lease liabilities and eligible current and non-current liabilities.
- Non- derivative financial instruments are recognised initially at fair value.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

A. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the Balance Sheet, bank overdrafts are presented under borrowings within current liabilities.

B. Investments

Financial instruments measured at amortised cost:
Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

C. Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled revenues, employee and other advances and other eligible current and non-current assets.

D. Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

b) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

3.4. Equity

3.4.1. Share capital

The authorised share capital of the Company as of March 31, 2021 is ₹ 70,100,000 divided into 7,010,000 equity shares of ₹ 10 each.

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

3.4.2. Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

3.4.3. Capital reserve

The Company was formed as a part of scheme of demerger out of Aon Consulting Private Limited. Difference between book values of assets and liabilities as per the scheme is recorded as Capital reserve. Capital reserve amounting to ₹ 23,609 (March 31, 2020: ₹ 23,609) is not freely available for distribution.

3.4.4. Other comprehensive income

Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on remeasurements of the defined benefit plans are recognised in other comprehensive income (net of taxes), and presented within equity as other reserves.

3.5. Property, plant and equipment

3.5.1. Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. Capital work-in-progress are measured at cost less accumulated impairment losses, if any.

3.5.2. Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Leasehold improvements are amortised over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortised over their respective contract term. The estimated useful life of assets is reviewed is where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Plant and machinery	5 - 7 years
Software	4 years
Computer equipment	3 years
Furniture, fixtures and equipment	5 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

3.6. Leases

On April 1, 2019, the Company adopted Ind AS 116, Leases, which applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings.

The company has made use of the following practical expedients available in its transition to Ind AS 116,

a. The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered or modified by the Company before April 1, 2019.
b. The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
c. The Company excluded the initial direct costs from measurement of the RoU asset.
d. The Company does not recognise RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

The weighted average rate of discount applied to lease liabilities as at April 1, 2019 is 9%.

On adoption of Ind AS 116,

a. The Company had recognised right-of use assets ₹ 13,733 and corresponding lease liabilities ₹ 15,061 and derecognized lease equalization reserve of ₹ 15
b. The adoption of the new standard has resulted in a reduction of ₹ 1,145 in opening retained earnings, net of tax.
c. During the year, the Company recognised depreciation expense from right-of-use assets ₹ 3,753 and interest expenses on lease liabilities ₹ 1,235 in the Statement of Profit and Loss.

Lease payments during the year are disclosed under financing activities in the Statement of Cash flows.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company enters into an arrangement for lease of land, buildings, plant and equipment including computer equipment and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses whether the contract is, or contains a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to:

a. control use of an identified asset,
b. obtain substantially all the economic benefits from use of the identified asset, and
c. direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of lease, together with periods covered by an option to extend the lease, where the company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognises a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) leases and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in Statement of Profit and Loss.

Lease payments are classified as Cash used in financing activities in the statement of cash flows.

The Company as a lessor

Leases under which the Company is a lessor are classified as a finance or operating lease. Lease contracts where all the risks and rewards are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

(ix) Impairment

A) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, trade receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables and other financial assets are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

B) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and right-of-use assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

(x) Employee benefits

a) Post-employment and pension plans

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognised as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

Remeasurements of the defined benefit plans, comprising actuarial gains or losses and the return on plan assets (excluding interest) are immediately recognised in other comprehensive income, net of taxes and not reclassified to profit or loss in subsequent period. The discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of the defined liability plans through other comprehensive income, net of taxes.

The Company has the following employee benefit plans:

A. Provident fund

Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make periodic contributions to the plan. A portion of the contribution is made to the approved provident fund trust managed by the Company while the remainder of the contribution is made to the government administered pension fund. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

B. Superannuation

Superannuation plan, a defined contribution scheme is administered by third party fund managers. The Company makes annual contributions based on a specified percentage of each eligible employee's salary.

C. Gratuity

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company.The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. The Company recognises actuarial gains and losses in other comprehensive income, net of taxes.

b) Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits.

c) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

d) Compensated absences

The employees of the Company are entitled to compensate absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

(xii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(xiii) Revenue

The Company derives revenue primarily from business process outsourcing, technology development services, human resource outsourcing services**.** The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.

Revenue is determined on the basis of an agreed mark-up on the costs incurred, in accordance with the arrangements entered into with the parent company/its affiliates and recognised on monthly basis.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognised. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

(xv) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

(xvi) Finance Cost

Finance cost comprise interest cost on lease liabilities and net defined benefit liability.

(xvii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination, or items directly recognised in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(xviii) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options, except where the results would be anti - dilutive.

The number of equity shares are potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the financial statement by the Board of Directors.

(xix) Statement of Cash Flows

Statement of Cash Flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

New Accounting standards, amendments and interpretations adopted by the Company effective from April 1, 2020:

Amendment to Ind AS 103- Business combination

The Ministry of Corporate Affairs (**"MCA"**) has issued amendments to Ind AS 103, "Business Combinations", in connection with clarification of business definition, which help in determining whether an acquisition made is of a business or a group of assets. The amendment added a test that makes it easier to conclude that a Company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The adoption of amendment to Ind AS 103 is applicable to new acquisition on a prospective basis and did not have any impact on the financial statements of the Company.

Amendment to Ind AS 109 and Ind AS 107 – Interest Rate Benchmark Reform

The MCA amended some of its requirements for hedge accounting. The amendments provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties. The adoption of amendment to Ind AS 109 and Ind AS 107 did not have any significant material impact on the financial statements of the Company.

Amendment to Ind AS 1 and Ind AS 8 – Definition of Material

The MCA issued Amendment to Ind AS 1 "Presentation of Financial Statements" and Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" to update a new definition of material in Ind AS 1. The amendments clarify the definition of "material" and how it should be applied by including in the definition guidance that until now has featured elsewhere in Ind AS Standards. The new definition clarifies that, information is considered material if omitting, misstating, or obscuring such information, could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make based on those financial statements. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain a definition of material or refer to the term 'material' to ensure consistency. The adoption of the amendment to Ind AS 1 and Ind AS 8 did not have any material impact on its evaluation of materiality in relation to the financial statements.

Amendment to Ind AS 116 – Leases

The MCA issued amendments to Ind AS 116, "Leases", provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19-related rent concessions to payments originally due on or before June 30, 2021 and also require disclosure of the amount recognised in profit or loss to reflect changes in lease payments that arise from COVID-19-related rent concessions. The reporting period in which a lessee first applies the amendment, it is not required to disclose certain quantitative information required under Ind AS 8. The adoption of the amendment to Ind AS 116 did not have any material impact on the financial statements of the Company.

New Accounting Standards not yet adopted by the Company

MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

New Amendments not yet adopted by the Company

On March 24, 2021, the MCA through a notification, amended Schedule III of the Companies Act, 2013. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

These amendments are applicable from April 1, 2021. The Company is currently evaluating the impact of these amendments on the financial statements.

4. Property, plant and equipment

	Leasehold improvements		Plant and Machinery		Furniture and fixtures		Office equipment		Total
Gross carrying value:									
As at April 1, 2019	₹	3,536	₹	5,126	₹	2,427	₹	2,606	₹ 13,695
Additions		28		1,389		40		86	1,543
Disposals		-		(1)		-		-	(1)
As at March 31, 2020	**₹**	**3,564**	**₹**	**6,514**	**₹**	**2,467**	**₹**	**2,692**	**₹ 15,237**
Accumulated depreciation/ impairment:									
As at April 1, 2019	₹	2,272	₹	3,967	₹	1,537	₹	2,038	₹ 9,814
Depreciation		404		1,107		414		171	2,096
Disposals		-		(1)		-		-	(1)
As at March 31, 2020	**₹**	**2,676**	**₹**	**5,073**	**₹**	**1,951**	**₹**	**2,209**	**₹ 11,909**
Net book value as at March 31, 2020	**₹**	**888**	**₹**	**1,441**	**₹**	**516**	**₹**	**483**	**₹ 3,328**
Gross carrying value:									
As at April 1, 2020	₹	3,564	₹	6,514	₹	2,467	₹	2,692	₹ 15,237
Additions		-		1,549		3		34	1,587
Disposals		(281)		(87)		(313)		(21)	(703)
As at March 31, 2021	**₹**	**3,283**	**₹**	**7,976**	**₹**	**2,157**	**₹**	**2,705**	**₹ 16,121**
Accumulated depreciation/ impairment:									
As at April 1, 2020	**₹**	**2,676**	**₹**	**5,073**	**₹**	**1,951**	**₹**	**2,209**	**₹ 11,909**
Depreciation		267		1,235		188		122	1,812
Disposals		(282)		(86)		(306)		(20)	(694)
As at March 31, 2021	**₹**	**2,661**	**₹**	**6,222**	**₹**	**1,833**	**₹**	**2,311**	**₹ 13,027**
Net book value as at March 31, 2021	**₹**	**622**	**₹**	**1,754**	**₹**	**324**	**₹**	**394**	**₹ 3,094**

5. Right-of-use of assets

	Buildings	Vehicles	Total
Gross carrying value:			
As at April 1, 2019	₹ 13,246	₹ 487	₹ 13,733
Additions	125	156	281
Disposals	-	(18)	**(18)**
As at March 31, 2020	**₹ 13,371**	**₹ 625**	**₹ 13,996**
Accumulated depreciation/ impairment:			
Depreciation	₹ 3,518	₹ 237	₹ 3,755
Disposals		(2)	(2)
As at March 31, 2020	₹ 3,518	₹ 235	₹ 3,753
Net book value as at March 31, 2020	**₹ 9,853**	**₹ 390**	**₹ 10,243**
Gross carrying value:			
As at April 1, 2020	**₹ 13,371**	**₹ 625**	**₹ 13,996**
Additions	2,483	-	2,483
Disposals	(3,015)	(166)	(3,181)
As at March 31, 2021	**₹ 12,839**	**₹ 459**	₹ 13,298
Accumulated depreciation/ impairment:	₹ 3,518	₹ 235	₹ 3,753
Depreciation	3,352	202	3,554
Disposals	(1,949)	(143)	(2,092)
As at March 31, 2021	₹ 4,921	₹ 294	₹ 5,215
Net book value as at March 31, 2021	**₹ 7,918**	**₹ 165**	**₹ 8,083**

The Company has recognised interest expense on lease liabilities of ₹ 875 and ₹ 1,235 in the statement of profit and loss for the year ended March 31, 2021 and March 31, 2020 respectively.
Refer to Note 13 for remaining contractual maturities of lease liabilities.

6. Investments

	As at March 31	
Current Investments	**2021**	**2020**
Financial instruments at FVTPL		
Investments in liquid and short-term mutual funds -unquoted	₹ 7,522	-
Financial instruments at amortised cost		
Inter corporate and term deposits -unquoted *	17	-
	7,539	**-**
Aggregate amount of unquoted investments	7,359	-

* These deposits earn a fixed rate of interest.
* Term deposits are deposits in lien with banks primarily on account of term deposits held as margin money deposits against guarantees.

6.1. Details of Investments in liquid and short-term mutual funds (unquoted) – classified as FVTPL

	Number of Units		Carrying Value	
Particulars	**As at March**		**As at March**	
	2021	**2020**	**2021**	2020
ICICI Prudential Overnight Fund Direct Growth	6,777,506	-	7,522	-
Total Investments in liquid and short-term mutual funds-unquoted			**₹ 7,522**	**-**

7. Trade receivables

	As at March 31,	
Trade receivables from related parties (Refer note 25)	**2021**	**2020**
Included in the Balance Sheet as follows:	₹ 8,353	₹ 9,415
Current		
Unsecured, considered good	₹ 8,353	₹ 9,415

8. Cash and cash equivalents

Cash and cash equivalents as at March 31, 2021 and 2020 consists of cash and balances on deposit with banks. Cash and cash equivalents consists of the following:

	As at March 31,	
	2021	**2020**
Balances with banks	₹ 758	₹ 827
Demand deposits *	43,801	44,007
	₹ 44,559	**₹ 44,834**

* These deposits can be withdrawn by the Company at any time without prior notice and without any penalty on the principal.

9. Other Financial Assets

	As at March 31,	
	2021	**2020**
Non-current		
Security deposits	₹ 1,471	₹ 809
Finance lease receivables	186	61
Considered doubtful	-	123
	₹ 1,657	**₹ 993**
Less : Provision for doubtful advances	**-**	(123)
	₹ 1,657	**₹ 870**
Current		
Due from officers and employees	₹ 67	₹ 16
Finance lease receivables	56	13
Interest receivable	836	792
Security Deposits	140	601
Others - Considered good	90	2
Others - Considered doubtful	418	320
	₹ 1,607	**₹ 1,744**
Less: Provision for doubtful advances	**(418)**	**(320)**
	₹ 1,189	**₹ 1,424**
Total	**₹ 2,846**	**₹ 2,294**

The activities in the provision for doubtful advances is given below:

	As at March 31,	
	2021	**2020**
Balance at the beginning of the year	₹ 443	₹ 381
Addition during the year, net	(26)	264
Uncollectable advances charged against allowance	1	(202)
Balance at the end of the year	**₹ 418**	**₹ 443**

10. Other assets

	As at March 31,	
Non-current	**2021**	**2020**
Prepaid expenses	₹ 48	₹ 108
	₹ 48	**₹ 108**
Current		
Prepaid expenses	₹ 1,002	₹ 1,435
Due from officers and employees		
Advances to suppliers	1,081	1,206
Balance with Statutory authorities	2,705	2,406
	₹ 4,788	**₹ 5,047**
Total	**₹ 4,836**	**₹ 5,155**

11. Share Capital

	As at March 31,	
	2021	**2020**
Authorised Capital		
7,010,000 (March 31, 2020: 7,010,000) equity shares of ₹ 10 each	₹ 701	₹ 701
	₹ 701	**₹ 701**
Issued, subscribed and fully paid-up capital		
7,010,000 (March 31, 2021: 7,010,000) equity shares of ₹ 10 each	₹ 701	₹ 701
Total	**₹ 701**	**₹ 701**

Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

i. Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	**₹**	**No. of Shares**	**₹**
Opening number of equity shares	7,010,000	701	7,010,000	701
Closing number of equity shares	**7,010,000**	**701**	**7,010,000**	**701**

ii. Details of shareholders holding more than 5% of the total equity shares of the Company

Name of the Shareholder	**As at March 31, 2021**		**As at March 31, 2020**	
	No. of Shares	**% held**	**No. of Shares**	**% held**
Wipro Limited	7,009,998	99.99%	7,009,998	99.99%
Wipro holding jointly with another individual	2	0.01%	2	0.01%

12. Trade payables

	As at March 31,	
	2021	**2020**
Current		
Trade payables		
(a) Total outstanding dues of Micro, small and medium enterprises	₹ 8	₹ 4
(b) Total outstanding dues of creditors other than micro, small and medium enterprises.	2,451	3,193
Balances due to related parties (Refer note 25)	118	1,270
Total	**₹ 2,577**	**₹ 4,467**

Trade payables includes due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2021 and March 31, 2020. The disclosure pursuant to the said Act is as under:

Particulars	**As at March 31,**	
	2021	**2020**
Principal amount remaining unpaid	8	4
Interest due thereon remaining unpaid	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

^Value is less than ₹ 1.

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

13. Other financial liabilities

	As at March 31,	
	2021	**2020**
Current		
Salary Payable	₹ 2,506	₹ 2,528
Total	**₹ 2,506**	**₹ 2,528**

Changes in financing liabilities arising from cash and non-cash changes:

	April 1, 2020	Cash Flow	Non-Cash Changes: Addition to Lease Liabilities	Non-Cash Changes: Disposal of ROU assets	31-Mar-21
Lease Liabilities	₹ 12,038	₹ 3,688	₹ 2,230	₹ 1,330	₹ 9,250
	₹ 12,038	**₹ 3,688**	**₹ 2,230**	**₹ 1,330**	**₹ 9,250**

14. Provisions

	As at March 31, 2021	2020
Non-current:		
Gratuity and other benefits	₹ 8,688	₹ 7,680
Asset retirement obligation	228	266
	₹ 8,916	**₹ 7,946**
Current		
Compensated absences	₹ 2,240	₹ 1,773
Gratuity and other benefits	706	1,296
	₹ 2,946	**₹ 3,069**
Total	**₹ 11,862**	**₹ 11,015**

15. Other liabilities

	As at March 31, 2021	2020
Current		
Statutory liabilities	**₹ 1,044**	**₹ 1,047**
Total	**₹ 1,044**	**₹ 1,047**

16. Financial instruments

	As at March 31, 2021	2020
Assets at amortized cost		
Cash and cash equivalents	₹ 44,559	₹ 44,834
Investments at FVTPL		
Financial instrument at FVTPL	7,522	-
Financial instrument at amortised cost	17	-
Trade receivables	8,353	9,415
Other financial assets	2,846	2,294
	₹ 63,297	**₹ 56,543**
Liabilities-at amortised cost		
Trade payables and other payables	₹ 2,577	₹ 4,467
Lease liabilities	9,250	12,038
Other financial liabilities	2,506	2,528
Total	**₹ 14,333**	**₹ 19,033**

Financial assets and liabilities include each cash and cash equivalents, trade receivables, employee and other advances, eligible current and non-current assets, lease liabilities, trade payables, and eligible current liabilities and non-current liabilities.

Fair Value

The fair value of cash and cash equivalents, trade receivables, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Financial risk management

Market Risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency receivables, payables and loans and borrowings.

The Company's exposure to market risk is a function of investment activities and revenue generating activities in foreign currency. The objective of market risk management is to avoid excessive exposure of the Company's earnings and equity to losses.

Risk Management Procedures

The Company manages market risk through Company's treasury department, which evaluates and exercises independent control over the entire process of market risk management. The department recommends risk management objectives and policies, which are approved by senior management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Foreign currency risk

The Company operates internationally and a major portion of its business is transacted in US Dollar (USD). Consequently, the Company is exposed to foreign exchange risk through receiving payment for sale of services in the United States, and making purchases from overseas suppliers in foreign currencies. The exchange rate risk primarily arises from foreign exchange revenue, receivables, cash balances, forecasted cash flows and payables. A significant portion of the Company's revenue is in the U.S. Dollar, while a large portion of costs are in Indian rupees. The exchange rate between the Indian rupee and these currencies has fluctuated significantly in recent years and may continue to fluctuate in the future. Appreciation of the rupee against these currencies can adversely affect the Company's results of operations. The Company follows established risk management policies under the Company's treasury department directives. The below table presents foreign currency risk from non-derivative financial instruments As at March 31, 2021

Particulars	**US $**	**Others**	**Total**
Trade receivables	8,277	-	8,277
Cash and cash equivalents	61	-	61
Trade payables and other financial liabilities	(90)	^	(90)
Net assets/ (liabilities)	**8,248**	**-**	**8,248**

As at March 31, 2020

Particulars	**US $**	**Others**	**Total**
Trade receivables	9,245	-	9,245
Trade payables and other financial liabilities	(30)	(2)	(32)
Net assets	**9,215**	**(2)**	**9,213**

^ Less than 1 lacs

As at March 31, 2021 and 2020, respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 113 and ₹ 82, respectively.

Counterparty risk

Counterparty risk encompasses issuer risk on marketable securities and credit risk on receivables and cash and time deposits. Issuer risk is minimized by only buying securities which are at least AA rated in India based on Indian rating agencies. Credit risk is reduced by the policy of entering into transactions with counterparties that are usually banks or financial institutions with acceptable credit ratings. The concentration of credit risk on trade receivables is limited as trade receivables include only the related parties of the Company.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. Cash and cash equivalents are held with major banks and financial institutions.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.

Contractual cash flows as at March 31, 2021	Carrying value	Less than 1 year	1-3 years	> 3 years	Total
Trade payables and other financial liabilities	5,083	5,083	-	-	**5,083**
Lease liabilities*	9,250	4,099	3,440	2,864	**10,403**

Contractual cash flows as at March 31, 2020	Carrying value	Less than 1 year	1-3 years	> 3 years	Total
Trade payables and other financial liabilities	6,995	6,995	-	-	**6,995**
Lease liabilities*	12,038	4,589	6,818	2,107	**13,514**

* Includes future cash outflow towards estimated interest on lease liabilities.

The balanced view of liquidity and financial indebtedness is stated in the table below. This calculation of the net cash position is used by the management for external communication with investors, analysts and rating agencies:

	As at March 31, 2021	As at March 31, 2020
Current		
Cash and cash equivalent	₹ 44,559	₹ 44,834
Investment	₹ 7,539	₹ -
Total	**₹ 52,098**	**₹ 44,834**

17. Income Taxes

Income tax expense has been allocated as follows:

	As at March 31, 2021	As at March 31, 2020
Income tax expense		
Current taxes	₹ 2,844	₹ 3,358
Deferred taxes	(249)	862
Income tax included in Other comprehensive income on:		
Defined benefit plan actuarial gains	10	93
Total income taxes	**₹ 2,605**	**₹ 4,313**

The components of deferred tax assets and liabilities are as follows:

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	₹ 3,140	₹ 2,693
Other liabilities	157	179
Property, plant and equipment	1,900	2,106
Total income taxes	**₹ 5,197**	**₹ 4,978**
Other assets	-	(20)
	₹ -	**₹ (20)**
Net deferred tax assets / (liabilities)	**₹ 5,197**	**₹ 4,958**

Movement in deferred tax assets is as follows:

	As at March 31, 2021	As at March 31, 2020
Opening balance	₹ 4,958	₹ 5,354
(Charge)/credit in the Statement of Profit and Loss	249	(870)
Credit in other comprehensive income	(10)	94
Adjustment on account of transition to Ind AS 116	-	380
Closing balance	**₹ 5,197**	**₹ 4,958**

Income tax expenses are net of reversal/ (creation) of provisions pertaining to earlier periods, amounting to ₹ 94 and ₹ 336 for the year ended March 31, 2021 and 2020, respectively.

The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	₹ 10,974	₹ 12,421
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	2,762	3,126
Effect of:		
- Effect on deferred tax balances due to change in income tax rates	-	1,463
- Income exempt from tax	(158)	(59)
- Income taxed at higher/ (lower) rates	-	-
- Taxes related to prior years	(94)	(336)
- Expenses disallowed for tax purpose	62	26
- Others	23	-
Total income taxes expenses	**₹ 2,595**	**₹ 4,220**
Effective income tax rate	23.65%	34%

18. Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	₹ 2,542	₹ 2,459
Unwinding of discount on security deposits	-	41
Profit on sale of property, plant and equipment, net	9	-
Other foreign exchange differences, net	-	655
Gain on disposal of right-of use assets	261	-
Miscellaneous income	117	111
	₹ 2,929	**₹ 3,266**

19. Finance Cost

	Year ended March 31, 2021	Year ended March 31, 2020
Bank charges	₹ 8	₹ 9
Interest cost on facility leases	875	1,235
Others	611	497
	₹ 1,495	**₹ 1,741**

20. Depreciation and Amortisation

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and amortisation expense	5,367	5,850
	₹ 5,367	**₹ 5,850**

21. Employee benefits

a) Employee costs include

	Year ended March 31, 2021	2020
Salaries and bonus	₹ 66,607	₹ 66,327
Employee benefits plans		
Gratuity	1,128	905
Defined contribution plans	3,444	3,270
Staff welfare expenses	1,553	1,968
Total income taxes	**₹ 72,732**	**₹ 72,470**

Defined benefit plan actuarial (gains)/ losses recognised in other comprehensive income include:

	Year ended March 31, 2021	2020
Re-measurement of net defined benefit liability/(asset)		
Actuarial (gains)/loss arising from financial assumptions	₹ (364)	₹ 531
Actuarial (gains)/loss arising from demographic assumptions	610	199
Actuarial (gains)/loss arising from experience adjustments	(388)	(266)
Total income taxes	**₹ (142)**	**₹ 464**

b) Defined benefit-plans-Gratuity:

Amount recognized in the statement of income in respect of defined benefit plans is as follows:

	Year ended March 31, 2021	2020
Current service cost	₹ 1,075	₹ 905
Net interest on net defined benefit liability/(asset)	507	497
Net gratuity cost/(benefit)	**₹ 1,582**	**₹ 1,402**

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

Change in present value of defined benefit obligation is summarised below:

	Year ended March 31, 2021	2020
Defined benefit obligation at the beginning of the year	₹ 8,357	₹ 7,068
Current service cost	1,075	905
Interest on obligation	507	497
(Benefits paid	(419)	(578)
Remeasurement (gains)/loss		
Actuarial (gains)/loss arising from financial assumptions	(364)	531
Actuarial (gains)/loss arising from demographic assumptions	610	199
Actuarial (gains)/loss arising from experience adjustments	(388)	(265)
Defined benefit obligation at the end of the year	**₹ 9,378**	**₹ 8,357**

The principal assumptions used for the purpose of actuarial valuation of these defined benefit plans are as follows:

	Year ended March 31, 2021	2020
Discount rate	6.35%	6.05%
Expected rate of salary increase	8.00%	8.00%

The discount rate is primarily based on the prevailing market yields of government securities for the estimated term of the obligations. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. Attrition rate considered is the management's estimate, based on previous years' employee turnover of the Company.

Sensitivity for significant actuarial assumptions is computed to show the movement in defined benefit obligation by 1 basis points.

As at March 31, 2021, every 1 basis point increase/ (decrease) in discount rate will result in increase/(decrease) of gratuity benefit obligation by approximately ₹ 841 and ₹ (1052) respectively.

As at March 31, 2021 every 1 basis point increase/ (decrease) in expected rate of salary will result in increase/ (decrease) of gratuity benefit obligation by approximately ₹ 1049 and ₹ (841) respectively.

22. Other Expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Facility expenses	₹ 2,778	₹ 4,987
Advertisement and brand building	8	8
Auditor's remuneration - Audit fees	17	18
Communication	1,281	775
Legal and professional fees	181	67
Miscellaneous expenses	1,112	1,063
Provision for doubtful debts	39	264
Rates, taxes and insurance	139	89
Sub-contracting / technical fees / third party application	2,879	2,410
Travel	1,132	4,691
Total	**₹ 9,566**	**₹ 14,372**

23. Earnings per equity share

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Basic and diluted: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period. There were no dilutive equivalent shares outstanding during the period.

	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to equity holders of the Company	₹ 8,379	₹ 8,201
Weighted average number of equity shares outstanding	7,010,000	7,010,000
Basic and diluted earnings per share	**₹ 119.53**	**₹ 116.99**

24. Additional capital disclosures

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The capital structure as of March 31, 2021 and 2020 was as follows:

	As at March 31, 2021	As at March 31, 2020	%Change
Total equity (A)	₹ 60,403	₹ 51,891	16.40%
As percentage of total capital	86.72%	81.17%	
Net lease liabilities- Non-current	5,804	8,113	
Net lease liabilities- Current	3,446	3,925	
Total Lease Liabilities(B)	₹ 9,250	₹ 12,038	
As percentage of total capital	13.28%	18.83%	
Total capital (A) + (B)	**₹ 69,653**	**₹ 63,929**	**8.95%**

25. Related party relationship and transactions

Holding Company and ultimate holding company

Wipro Limited

Key Management personnel

Bhanumurthy BM – Director
Aneesh Garg – Director (till July 1, 2020)
Aparna Iyer – Director
Amit Bajoria (w.e.f. July 31, 2020)
Putul Mathur (w.e.f. September 30, 2020)
Samir Gadgil – Director (till September 30, 2020)

The company has the following related party transactions for the year ended March 31, 2021 and 2020:

	Holding Company		Fellow subsidiaries		Key Management Personnel	
Transaction / balances	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Sales of services	₹ 1,306	₹ 1,247	₹ 95,898	₹ 102,342	₹ -	₹ -
Purchase of services	1,524	1,103	(226)	206	-	-
Restricted Stock Unit charges	-			-	-	-
Remuneration and short-term benefits	60 -	16 -	- -	-	-	-

Balance as at the year end						
Receivables	₹ 141	₹ 169	₹ 8,212	₹ 9,246	₹ -	₹ -
Payables	118	982	-	289	-	-

26. Commitments and contingencies

Capital commitments: As at March 31, 2021 and 2020 the Company had committed to spend approximately ₹ 94 and ₹ 756, respectively, under agreements to purchase/ construct property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Contingencies and lawsuits:

The Company is subject to legal proceedings and claims (including tax assessment orders/ penalty notices) which have arisen in the ordinary course of its business. Some of the claims involve complex issues and it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of such proceedings.

However, the resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the Balance Sheet of the Company. The significant matters are discussed below.

In February, 2019, Company received a tax demand for ₹ 2,042 for the year ended March 31, 2019, on account of demand for Advance Tax under Section 210(3) of the Income Tax Act, 1961. The Company has filed a WRIT petition at the hon'ble High Court of Delhi challenging the impugned order and the Department has filed the Counter Affidavit. The matter is still pending with the hon'ble High Court of Delhi.

In February, 2019, Company received a show cause notice under section 201 (1)/ 201 (1A) of the Income Tax Act, 1961 for non-deduction of TDS of ₹ 1,112 on items shown in disallowance made under section 40 (a) (ia) of the Income Tax Act, 1961 during year ended March 31, 2018. Company has filed a reply within prescribed timelines.

In January, 2019, Company received a Show Cause Notice for ₹ 21 on account of non-payment of service tax on some of the foreign currency expenditures during the year ended March 31, 2017 and 2018. Company has responded within prescribed timelines, explaining the non-applicability of service tax on such items.

27. Corporate Social Responsibility

a. Gross amount required to be spend during the year ended March 31, 2021 and March 31, 2020 is ₹ 246 and ₹ 213 respectively.

b. Amount spent during the year on:

	For the year ended March 31, 2021		
	In Cash	**Yet to be paid in Cash**	**Total**
(i) Construction/ acquisition of any asset	-	-	
(ii) On purpose other than above (i) above*	246	-	246
Total amount spent during the year	**₹ 246**	**₹ -**	**₹ 246**

	For the year ended March 31, 2020		
	In Cash	**Yet to be paid in Cash**	**Total**
(i) Construction/ acquisition of any asset	-	-	
(ii) On purpose other than above (i) above*	213	-	213
Total amount spent during the year	**₹ 213**	**₹ -**	**₹ 213**

*Includes contribution of ₹ 141 and ₹ 108, to Wipro Foundation a trust controlled by the holding company for the year ended March 31, 2021 and 2020, respectively.

28. Segment information

The Company publishes the financial statements along with the consolidated financial statements of holding company. In accordance with Ind AS 108 the Company has disclosed the segment information in the consolidated financial statements of holding company.

As per our report of even date attached

For and on behalf of the Board of Directors

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W - 100018

Sd/-

Aparna Chandrasekhar Iyer
Director
DIN: 08378003
Place:
June 17, 2021

Sd/-

Amit Bajoria
Director
DIN: 07464567
Place:
June 17, 2021

Sd/-

Amit Ved
Partner
Membership No. 120600
Bengaluru
June 17, 2021

Sd/-

Vinay M A
Company Secretary
Place:
June 17, 2021